

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3549 – SB 3410

March 29, 2010

SUMMARY OF AMENDMENT (015812): Adds language to the original bill that specifies the fund established with monies received by the Commissioner of Commerce and Insurance in excess of the \$2.5 million cap be called the “indigent burial fund” and requires all monies be spent on only Tennessee residents who are indigent and receiving state financial assistance at the time of death. Requires that any interest earned by the indigent burial fund be deposited into that fund. Requires the Commissioner to establish a maximum amount for burial reimbursement.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$153,200/Burial Services and Pre-Need Program
Increase State Expenditures - \$12,900/One-Time/Burial Services and Pre-Need Program
\$140,300/Recurring/Burial Services and Pre-Need Program

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

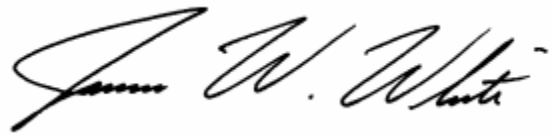
Assumptions applied to amendment:

- Establishing further guidelines and changing the name of the fund will have no additional fiscal impact on the state.
- According to the Department of Commerce and Insurance, two additional staff would be necessary to handle the increase in disputes of claimants. A one-time increase in state expenditures is estimated at \$6,900 which includes office landscaping (\$4,000) and computer costs (\$2,900). The recurring increase to state expenditures for the new staff is estimated to be \$140,300 which includes salaries and benefits (\$107,800), administrative costs (\$22,400), and telecommunications and office supplies (\$10,100).
- There will be an additional one-time increase in state expenditures estimated to total \$6,000 which includes a rule-making hearing (\$5,000), and printing and distribution of new forms to all licensees (\$1,000).

- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory programs are required to be self-supporting over a two-year period. As of June 30, 2009, the program had a negative balance of \$1,434,001.78. According to the Department, fees will be increased to cover expenditures which will result in an increase in state revenue of \$153,200.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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